

Ten Things
You Need
to Know About...
Kombucha



1. What is Kombucha?

2. How is Kombucha made?

3. What are its origins?

4. What are its perceived health benefits?

5. Is there science to support the health claims?

6. What are the leading brands of ready to drink Kombucha?

7. What flavors are commonly used in RTD Kombucha?

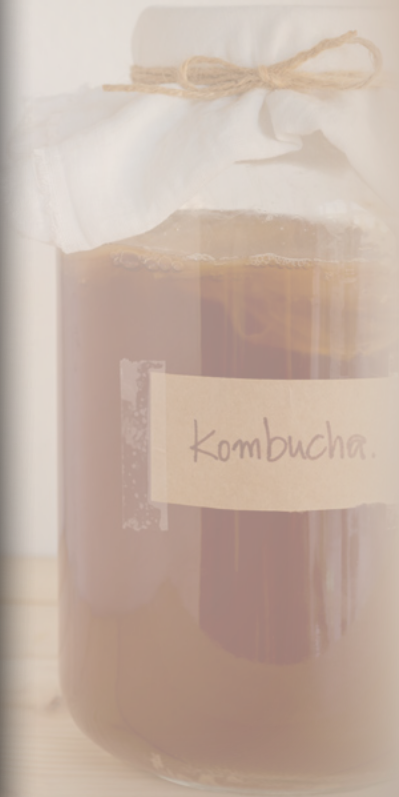
8. What are the primary messages that Kombucha brands use when marketing to consumers?

9. What are the \$ sales volumes for RTD Kombucha?

10. What are the challenges faced by RTD Kombucha brands?

Bonus Fact: What flavors does Trilogy offer for Kombucha?

References



1. What is Kombucha?



Kombucha is a traditional fermented tea associated with health-promoting benefits.

Its fermentation process gives the beverage its signature acidic, slightly sweet taste and effervescence, making it an amazing healthy alternative to carbonated soft drinks.

As a functional beverage, kombucha is packed with probiotics, widely known to promote a string of health advantages such as improved digestion or even reducing stress.

2. How is Kombucha made?

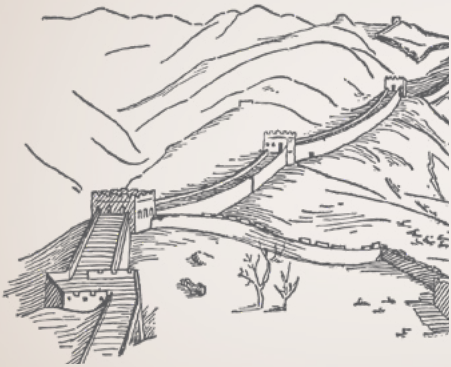


Kombucha is made via a double fermentation process, in which a pancake-shaped symbiotic culture of bacteria and yeast (SCOBY) is placed into a sweetened, brewed black or green tea. The mixture is then left to ferment at room temperature for about 2 to 3 weeks. During this time, the sugar feeds the yeasts and bacteria, forming the SCOBY: a thick, mushroomy layer that rests at the top of the kombucha. It also contains a small amount of ethanol (.5%-3%) that occurs when the bacteria and yeasts in the SCOBY interact.

Next, the beverage is bottled for 1-2 weeks to contain released CO₂ and encourage carbonation. It's then refrigerated to slow down carbonation and fermentation. The finished product is a carbonated, acidic beverage comprised of sugars, organic acids, tea components, vitamins, and minerals. Depending on the different brewing factors, such as tea selection or fermentation time, the specific nutrients and probiotics in the beverage may differ, which leads to different health benefits.



3. What are its origins?



Famously known as the “Immortal Health Elixir” by the ancient Chinese, kombucha originated in Northeast China (Manchuria) around 221 B.C. There are some discrepancies in the origin of the word “kombucha”. Some believe that the term originated in Japan, after a Korean physician named Kombu brought a healthy beverage to heal the Emperor Inyko. However, in the Japanese language, kombucha refers to an entirely different beverage – a kelp tea. Regardless, as the doors to trading expanded, what we now know as kombucha found its way to Russia, where it



became a popular home-brewed drink. By the 1960s, it entered other European countries. Swiss scientists claimed that kombucha was beneficial to the abdomen and intestines, in ways similar to yogurt. It became a desired drink, globally, by the 1990s due to the belief that kombucha was a “powerful health aid” for serious health issues. When it first arrived in the US, it was only distributed through grassroots, home-brewed producers. By 1995, GT Dave, founder of GT’s Kombucha, was the first formal domestic kombucha brand sold in health stores.

4. What are its perceived health benefits?



Kombucha's health benefits are derived from its rich supply of probiotics, which provide the abdomen and intestines with healthy bacteria. These microorganisms have been known to improve many aspects of health including digestion, inflammation and even weight loss. When kombucha is made with green tea, it pulls in additional bioactive compounds such as polyphenols, which are full of antioxidants.



Polyphenols are also thought to help stop the mutation of genes while simultaneously promoting the death of cancer cells. The fermentation process also creates acetic acid that helps reduce inflammation, lower blood pressure, and keep blood sugar stabilized.

5. Is there science to support the health claims?



There have been several studies demonstrated on rats that suggest the beverage shows multiple health benefits, including a reduction in liver toxicity. BMC Complementary and Alternative Medicine conducted a study on the hypoglycemic and antilipidemic properties of kombucha tea in alloxan-induced diabetic rats, which found that kombucha improved several markers.



The results showed that kombucha slowed down the digestion of carbs, lowering blood sugar levels. It also showed the healthy promotion of liver and kidney functions. A study produced by Cornell University titled "Food Study on Kombucha" determined and characterized the antimicrobial activity of the fermented tea.

6. What are the leading brands of ready to drink Kombucha?



The founder of GT's Living Food, GT Dave, and his family were gifted a SCOBY known as the "Himalayan mother" and started making home-brewed kombucha. They are known as the "OG of commercial kombuchas" as they've been in the US market for 22 years. Major leading brands such as Lion Heart Kombucha, KeVita, Humm Kombucha, and Brew Dr. have all jumped on the kombucha bandwagon and have created their own take on the beverage. Lion Heart Kombucha uses a Russian mother SCOBY and only organic tea; they have a passion for quality and local sourcing. An organic winemaker joined forces



with a holistic nutritionist to found KeVita. It was recently discovered that they use pasteurization to keep the beverage from further fermenting; this kills many beneficial probiotic organisms in kombucha. Humm Kombucha is recognized for being an all-natural brand featuring certified organic flavors and no alcohol. They have multiple microbreweries that offer the option of mixing their flavors to make unique combinations. Brew Dr. is known for focusing more on the initial tea blends and fermentation process; they do not add further flavoring or juices after the fermentation process.

7. What flavors are commonly used in RTD Kombucha?



After the process of fermentation is completed and the SCOBY has been removed, there is the possibility to consume the beverage as is or to add in additional flavoring. Because kombucha has an acidic, tart-like taste, most companies will add different flavors to the product to mask these notes.

Many kombucha brands offer a mixture of ginger-based flavors, likely due to their strong taste and perceived health benefits. Other popular flavors seen in RTD kombuchas include raspberry, lemon, lavender and blueberry.

8. What are the primary messages that Kombucha brands use when marketing to consumers?

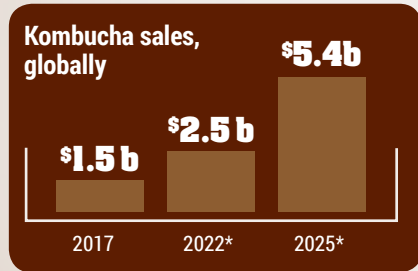


Kombucha has been positioned as one of the healthiest beverages available. As a natural probiotic drink, kombucha brands target consumers who want to live a healthier lifestyle. The brands use the words “healthy” and “natural” as their most obvious messages, but they also use other key phrases including “energize your body,” “ignite your passion” and “life in a bottle” to attract a wider range of young consumers.



The packaging used to sell kombucha also plays a major role in targeting consumers. Since the color of kombucha might not be appealing to most, the bottles and labels are quite colorful and vibrant. The packaging looks fun, lively, and young which can make an impact on purchasing kombucha over other beverages – especially traditional carbonated soft drinks – at the point of sale.

9. What are the \$ sales volumes for RTD Kombucha?



*projected

Globally, kombucha sales were valued at \$1.5 billion in 2017, with a compound annual growth rate of 23%. In comparison, the \$80 billion canned soda category has shrunk by 3% over the last five years, according to Mordor Intelligence. Zion Market Research estimates the sales projection could reach to \$2.5 billion by 2022 and Grand View Research projects its market size to reach \$5.45 billion globally by 2025. North America is one of the fastest growing markets; sales

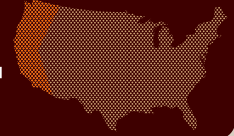
Kombucha % of total US RTD Tea Market

Estimated at 20% in 2017



Kombucha US sales

STRONGEST ON WEST COAST



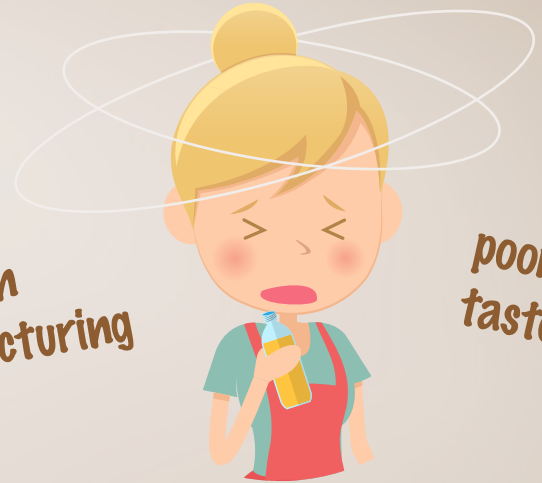
of kombucha are estimated at between \$500 million to \$800 million in the United States for 2017. Mintel estimated the US kombucha market at 20% of the total US RTD Tea market in 2017. It's important to remember that as a category, kombucha is still in its infancy in the US market. Sales are still strongest in 5 cities in the western US: Portland, Seattle, Spokane, San Diego and San Francisco.

10. What are the challenges faced by RTD Kombucha brands?



Besides the typical challenges related to scale up, distribution and velocity that are faced by all new brands, kombucha has two serious potential barriers to consumer trial and acceptance: health claims and taste. Fermented products that are not produced safely can generate serious health risks. And while most brands have no issue with safe manufacturing, when things go wrong with

*safety in
manufacturing*



*poor
taste*

home-brewed products, there can be a case of guilt by association. With regard to taste, some consumers still have a hard time dealing with the acidity of the beverage and the presence of live bacteria. This is an area where strong beverage technology and effective flavor development and applications work can mean the difference between consumer preference and consumer rejection.

Bonus Fact: What flavors does Trilogy offer for Kombucha?

Trilogy Essential Ingredients has developed a collection of flavors that deliver great taste to kombucha drinks while maintaining a healthy product profile, including the selections shown here. Other outstanding kombucha flavors - including custom creations - are also available.



KOMBUCHA FLAVOR LIST			
BLOOD ORANGE GINGER EMULSION	Natural	Water Dispersible	103153
PEACH GINGER TYPE EMULSION	NFB	Water Dispersible	571970
STRAWBERRY BASIL TYPE EMULSION	NFB	Water Dispersible	171768
STRAWBERRY LEMONADE TYPE EMULSION	NFB	Water Dispersible	171769
MANGO HABANERO TYPE EMULSION	NFB	Water Dispersible	592352
LAVENDER LEMONADE EMULSION	Natural	Water Dispersible	754889
BLUEBERRY MINT TYPE EMULSION	NFB	Water Dispersible	322757
PINEAPPLE MANGO TYPE EMULSION	NFB	Water Dispersible	616760

Contact your Trilogy account manager today or [email us](#) to learn more.



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